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RUEHSG/AMEMBASSY SANTIAGO 2371
RUEHDG/AMEMBASSY SANTO DOMINGO 0757
RUEHMT/AMCONSUL MONTREAL 0270
RUEHQU/AMCONSUL QUEBEC 1066
RUEATRS/DEPT OF TREASURY WASHDC
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C O N F I D E N T I A L SECTION 01 OF 03 PORT AU PRINCE 000425

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TAGS: [PGOV](#) [PREL](#) [HA](#) [ECON](#)
SUBJECT: AMBASSADOR VISIT TO CAP HAITIEN

REF: 07 PORT AU PRINCE 512

Classified By: Ambassador Janet A. Sanderson. Reason: E.O. 12958 1.4 (b), (d)

Summary -----

¶1. (SBU) The Ambassador visited Cap Haitien February 26-27 to find political, economic, and international security interlocutors relatively upbeat. The Chilean MINUSTAH battalion believes security is improving, the previously suspicious mayor of the city is eagerly courting U.S. assistance, and the private sector is optimistic about the economy but worried about inflation. Customs processing delays caused by a clampdown on corruption at the port of Cap Haitien and political problems in the area worry local businesses. USAID and CDC assistance projects ranging from health to education to tourism are having positive local impact. End summary.

Security -----

¶2. (C) Chilean Battalion Commander Lt. Col. Claudio Escalona Encalada covers the entire North Department with a 364-soldier battalion. It provides security for humanitarian operations, detects armed groups, protects civilians in danger, and supports disarmament and reintegration of armed gangs. MINUSTAH's mandate also gave the battalion anti-riot authority and VIP protection duties, and co-manning checkpoints with the Haitian National Police (HNP). His battalion encounters drug running (some by former members of Haiti's military), trafficking of children, as well as kidnapping (both for ransom, and between drug trafficking groups). The Haitian National Police Strength of 325 officers was insufficient for the North Department's population of over 800,000. Nevertheless, overall crime was decreasing, he said. Escalona mentioned that his battalion is implementing an inoculation program for children that is very well received, as well as a soccer program that helps coax crime-prone youth to turn in their weapons.

The Economy, the Port

¶3. (SBU) Cap Haitian Mayor Michel Saint Croix and his two deputies gathered virtually all municipal employees to welcome the Ambassador with a champagne toast in the city hall's ceremonial reception room. The mayor is from the pro-Aristide party Fanmis Lavalas, and at the time of his inauguration in early 2007 was suspicious of U.S. Embassy visits to his city (reftel). On this occasion, however, he enthusiastically welcomed the Ambassador, thanking the U.S. and the American people for the help received through USAID, which he said positively affected U.S.-Haitian relations. He admitted inflation was a problem, and blamed it on increased customs duty collections. He claimed that unemployment in the city was 70 percent. However, the city hoped to implement a program of "urban rebuilding" with international assistance. The mayor showed his appreciation for U.S. assistance -- and his political instincts to line up with donor-funded projects in the poorer neighborhoods -- by showing up unannounced at visits the Ambassador made to USAID-funded assistance projects the next day.

¶4. (U) Local private sector leaders hosted the Ambassador for dinner. They were broadly upbeat about the current state of their businesses and future prospects for the local economy. The owner of the MontJoli Hotel said he was booked to capacity and planned to double the number of rooms within 18 months. Construction in the city was expanding. The owner of a hardware store was hiring additional staff. The EU-financed road from Cap Haitien to Ounaminthe was almost complete. Cross-border trade with the Dominican Republic was picking up, and increasing numbers of Dominican businessmen were observed scouting out prospects in Cap Haitien. These

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Cap Haitien businessmen were concerned, however, about inflation, which they largely attributed to increased costs of basic foodstuffs they import.

¶5. (U) The businessmen highlighted tensions between the Deputy Port Director, Claude Lamothe, and Mayor Saint Croix over port management and port hiring. During a strike at the port late last year, which Mayor Saint Croix supported, workers had demanded the firing of Port Director Latortue due to his alleged poor treatment of port workers and failure to pay approved wage increases. Although he had not been fired, Latortue had left Cap Haitian for Port au Prince in January and not returned. A background issue at the port is the reduction of political patronage in hiring. The current port administration had rolled back bloated staffing, after the Aristide administration had packed port employment rolls with large numbers of Fanmis Lavalas supporters.

¶6. (U) These businessmen were hopeful that Deputy Port Director Claude Lamothe could work out the labor issues with the port workers, although port security improvements had stalled since Latortue's departure. They complained, however, that the clampdown on corruption in the port that Latortue had instituted had made customs clearances increasingly onerous, lengthening clearance times and costing shippers money. The businessmen conceded that the clampdown was justified, but lamented that Customs officials from Port au Prince who had come to Cap Haitian to impose order had clashed with local customs officials, producing the slowdown. They hoped a modus vivendi would be reached that would reduce the amount of time goods languished in port.

USG Assistance Projects

¶7. (U) USG assistance projects in the Cap Haitian area are having a visible, positive impact. The Ambassador visited the site of a Royal Caribbean Cruise Lines (RCCL) resort at Labadee (next to the Haitian village of Labadie) where cruise ship passengers disembark, and signed a "global partnership alliance" agreement with the local RCCL subsidiary. The

agreement seeks to leverage USD 350,000 in return for RCCL's contribution of USD 1.1 million of over three years. The agreement is to stimulate job creation and to implement a job training program with an environmental sub-component. It will focus on Labadie village, where most Haitian employees of the RCCL resort live. RCCL officials looked forward to expanding their facility at Labadee and hiring more local residents.

¶8. (U) The Ambassador stopped at the small community of Bois Fleury, the site of a soil conservation and environmental revitalization project managed under a USAID grant by the Cooperative Housing Foundation (CHF). This project uses gabion structures (wire cages filled with rocks) and bamboo seedlings over 132 hectares of steep slope immediately above a portion of Cap Haitien to inhibit soil erosion and flooding during frequent heavy rains. More than two thousand short-term jobs were created during construction, including for five hundred women. The Ambassador viewed about 20 percent of the total area. Warmly welcomed by members of the committee and the local community, the Ambassador noted the strong participation of women in the project.

¶9. (U) The Ambassador also visited a road paving project in the community of Bas Aviation being implemented by CHF International. She took a walking tour of a section of the 1.5 km project and was received by representatives of a Bas Aviation community group who explained how the paved road had improved the overall quality of life. The Mayor of Cap Haitien chimed in on the quality of life issue, declaring that additional CHF projects in areas such as street lighting would be welcome, and urged residents to care for the new road themselves as they would care for their own child.

¶10. (U) The visit also included stops at two schools. One was
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in the community of Conassa, which was completely renovated in an IOM-implemented project (International Organization for Migration). Another was the Marie Rose national school, rebuilt from a burnt-out shell by IOM. The Ambassador was greeted there by enthusiastic students and parents. All of these projects have generated short-term employment and contributed to increased living standards and local commerce.

Health

¶11. (U) Showing support for people living with HIV/AIDS, the Ambassador had lunch with the local group called Association of Persons Infected with and Affected by HIV/AIDS (APIAVIH), a grass roots organization providing education against HIV/AIDS and providing psycho-social support to persons living with AIDS. APIAVIH was founded by a Haitian NGO with funds from PEPFAR.

Comment

¶12. (SBU) There should be no illusions: there are serious security problems in this and other regions of Haiti, not the least drug trafficking and kidnapping -- although the latter has decreased significantly over the last year throughout Haiti. Unemployment is vast, persistent, and aggravated by the latest spurt of inflation that began in late 2007. In light of these structural challenges, we were surprised by the cautiously optimistic outlook of our interlocutors. The city was also clean and well-maintained compared to the capital Port au Prince. Apparently, the mayor has made public sanitation a municipal priority; there are obvious improvements compared to 2006.
Ellickson-Brown